

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name City of River Rouge District Court No.26 Div1	County Wayne
Fiscal Year End June 30, 2006	Opinion Date December 21, 2006	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

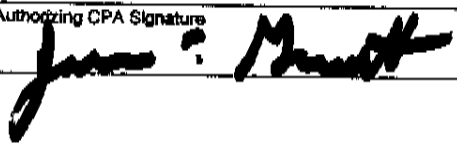
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ **NO** ☐ **Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) James E. Garrett and Associates		Telephone Number (313) 842-8297	
Street Address 10475 West Jefferson Avenue		City River Rouge	State MI
Authorizing CPA Signature 		Printed Name James E. Garrett	Zip 48218
		License Number 1101016898	

**District Court Funds of District No. 26,
Division I
City of River Rouge, Michigan**

**Financial Report
with Supplemental Information
June 30, 2006**

District Court Funds of District No. 26, Division I City of River Rouge, Michigan

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INDEPENDENT AUDITOR'S REPORT

District Judge Raymond A. Charron
District Court No. 26, Division I
River Rouge, Michigan


We have audited the basic financial statements of the District Court Funds of District No. 26 Division I (a component unit of the City of River Rouge, Michigan) as of June 30, 2006. These financial statements are the responsibility of District Court No. 26, Division I, City of River Rouge, Michigan's management. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District Court No. 26, Division I, City of River Rouge, Michigan at June 30, 2006 in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental information as identified in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not include a management's discussion and analysis which would present an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement although not required to be part of the basic financial statements.


December 27, 2006

District Court Funds of District No. 26, Division I

City of River Rouge, Michigan

Balance Sheet
June 30, 2006

	General Account	Bond Account
Assets - Cash and cash equivalents (Note 2)	<u>\$ 63,074</u>	<u>\$ 49,928</u>
Liabilities		
Due to:		
City of River Rouge	\$ 48,864	\$ -
State of Michigan	14,210	-
Bond deposits	<u>-</u>	<u>49,928</u>
Total liabilities	<u>\$ 63,074</u>	<u>\$ 49,928</u>

District Court Funds of District No. 26, Division I City of River Rouge, Michigan

**Notes to Balance Sheet
June 30, 2006**

Note 1 - Significant Accounting Policies

The funds of District Court No. 26, Division I (the "District Court") are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Accordingly, the operations of the funds are limited to cash transactions.

The District Court is a blended component unit of the City of River Rouge, Michigan and is included in the general purpose financial statements of the City of River Rouge, Michigan at June 30, 2006. The costs relating to the operation of District Court No. 26, Division I are budgeted items of the City of River Rouge, Michigan's General Fund and, accordingly, such costs are paid by the City's General Fund.

Note 2 - Cash and Cash Equivalents

The District Court's cash and cash equivalents at June 30, 2006 are composed of deposits of \$113,002. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at approximately \$113,000. Of that amount, approximately \$100,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the District Court evaluates each financial institution; only those institutions with an acceptable estimated risk level are used as depositories.

Note 3 - Bank Accounts

General Account - General account transactions include the receipt of ordinance fines and costs, state fees, parking fines, bond forfeitures, civil filing fees, interim bonds, constable fees, restitution, and other amounts due to the City and the State.

Bond Account - Bond account transactions represent all bond-related activity.

Note 4 - District Court Funds

The District Court is divided into two separate units, with each unit maintaining its own funds. Only the funds held by District Court No. 26, Division I, City of River Rouge, Michigan are included in the accompanying balance sheet.

Supplemental Information

District Court Funds of District No. 26, Division I

City of River Rouge, Michigan

Schedule of Cash Receipts and Disbursements

Year Ended June 30, 2006

	General Account	Bond Account
Cash Balance - July 1, 2005	\$ 59,037	\$ 47,252
Receipts		
Fines and fees collected	475,836	-
Bond receipts	-	90,234
Restitution, judgments, and other	23,092	-
Total receipts	498,928	90,234
Disbursements		
Transfers:		
City of River Rouge	371,107	-
State of Michigan	99,982	-
Bond refunds and forfeitures	-	87,558
Restitution, judgments, and other	23,802	-
Total disbursements	494,891	87,558
Cash Balance - June 30, 2006	\$ 63,074	\$ 49,928